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**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

**R STREET SUBCOMMITTEE
OF THE INVESTMENT COMMITTEE**

**MINUTES OF MEETING
OPEN SESSION**

AUGUST 12, 2005

The open session meeting of the R Street Subcommittee of the Investment Committee was held on Friday, August 12, 2005, in the Lincoln Plaza Building, 400 P Street, Room 1140, Sacramento, California.

The meeting was called to order at 11:35 a.m. The following members were present:

Charles Valdes, Chair
Robert Carlson, Vice Chair
Ronald Alvarado
Priya Mathur
Kurato Shimada

Other Board Members Present:

Tony Symonds, representing the Controller's Office
Rosalind Brewer, representing the Treasurer's Office
John Hiber, representing the Treasurer's Office

AGENDA ITEM 2 – APPROVAL OF THE JUNE 10, 2005 OPEN SESSION MINUTES

The minutes were approved as presented.

**AGENDA ITEM 3– REAL ESTATE UPDATE ON R STREET RESIDENTIAL
DEVELOPMENT**

Mr. Bob Langhi, Investment Officer, summarized the information provided in the agenda materials on the revitalization efforts on the west end of the R Street Corridor.

The SoCap Lofts, 6th to 7th Street on the north side of R Street, have received tentative map approval for 36 detached single family units. Site remediation is scheduled to begin in August and be completed in October 2005. The beginning of site construction is

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anticipated for November 2005, model home construction scheduled to begin February 2006, and delivery of production homes in August 2006.

The Thompson Diggs property at 3rd and R Street will continue to operate as an office building, with plans to convert the parking lot into residential use with several options currently under evaluation; staff will explore the feasibility of adding additional stories to the parking structure to increase the parking capacity.

The SoCap Lofts 2 Project site, located between 6th and 7th Street on the south side of R Street, is currently under contract and will be transferred into the Sares Regis partnership in September. Regis Homes submitted a tentative map for 36 single-family detached units in February 2005.

Mr. Langhi also reported that the equity commitment to the partnership is \$50 million with \$12 million already committed.

AGENDA ITEM 4– REPORT ON R STREET BUILDING DESIGN

Mr. Bill Chilton and Mr. Tony Markese of Pickard Chilton made a power point presentation reviewing the design of the building, the significant features and the relationship of design concepts to the finished building. This presentation will be shown to the Investment Committee on August 15, 2005.

AGENDA ITEM 5–R STREET MANAGER’S REPORT

Ms. Diana Proctor, Project Manager, confirmed that the Data Center Move will begin Friday August 12th in the evening and will take place over the next 3 weekends. At this time it is anticipated that the building will be completed and ready for moving staff beginning September 10, 2005.

Ms. Proctor also reported that we have a certificate from the Fire Marshal for partial occupancy for only certain spaces in the new building only, not all of the building. The contractor is continuing the contract work with September 5th as the possible anticipated date we can accept the building.

Ms. Pat Macht reported that members of the community are invited to attend outreach meetings and that in September it is anticipated that Moore, Iacofano, Goltsman Inc. (MIG) will present their street scape study before the Subcommittee.

AGENDA ITEM 6 – STATUS OF STAFF MOVES

Mr. Rick Nelson, Division Chief from OSSD, briefed the Subcommittee on the planned staff move to the new building which will occur between September and mid-December of

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this year. The new east building will house the Investment Office, Customer Call Center and the Sacramento Regional Office; the west building will house ITSB and OSSD. The remainder of CalPERS will stay in Lincoln Plaza North.

All staff moves will take place over the weekend, beginning the weekend of September 10th, to minimize disruption to business services. Additionally, Mr. Nelson briefly discussed the work and moves that will occur within our existing building and the final move out of Gateways prior to the end of the lease in April 2006.

Mr. Nelson also reported that OSSD is currently working with real estate brokers to find tenants to lease the top floors of Lincoln Plaza and the new west building, and to lease retail space located mainly in the new east building. It is anticipated that the new parking garage will be available to parkers sometime in September.

Mr. Gene Reich, Assistant Executive Officer, ITSB, informed the Subcommittee that the Data Center move will require a shut down of systems from Friday 6:00 p.m. until Monday at 6:00 a.m. for each of the three weekends of the move. He also indicated that during this three week period the Data Center can operate as one even though part of it is in our existing building and part is in the new building.

AGENDA ITEM 7 – PROPOSED AGENDA FOR SEPTEMBER 16, 2005 R STREET SUBCOMMITTEE MEETING

The next meeting of the R Street Subcommittee is scheduled for September 16, 2005.

AGENDA ITEM 8 – PUBLIC COMMENT

Public comments were made by Mr. Ken Wemmer, a neighbor, representing the Sacramento Old City Association and Ms. Leslie Fritzsche, Sacramento Housing and Redevelopment Agency requesting that there be public meetings held to involve the community early in the process of residential development on R Street.

The meeting was adjourned at 12:19 p.m.

The next scheduled meeting of the R Street Subcommittee is September 16, 2005.